

November 16, 2021

VIA EMAIL AND FIRST-CLASS MAIL

Teresa Alvarado, Chair
California Water Commission
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RE: Water Storage Investment Program: Chino Basin Program Continuing Eligibility and Feasibility Determination – Support to continue planning and development

Dear Chair Alvarado,

The undersigned parties (collectively “Interested Parties”) are aware that our colleagues at the City of Ontario, City of Montclair and Monte Vista Water District (collectively “Concerned Parties”) submitted a letter (dated November 10, 2021) to you, as Chair of the California Water Commission (CWC), regarding their opinions and concerns regarding the Chino Basin Program (CBP). As you know, the Inland Empire Utilities Agency (IEUA) has received conditional funding through the Proposition 1 Water Storage Investment Program (WSIP) and the CWC is scheduled to consider the feasibility of the CBP as required by statute in your November 17, 2021 meeting. The intention of this letter is to clarify the position of the Interested Parties and reinforce our support for the CBP.

Initially, many of the parties in our region had concerns about the CBP due to its original configuration and costs compared to the local supply benefit received; and the significant commitments necessary to secure Proposition 1 WSIP funding. In the past several months several Interested Parties, alongside IEUA, have worked diligently and collaboratively to address these concerns. This has resulted in a program that can now provide significant value and benefit, first, to our region and rate payers; and also to Southern California and the State. Moreover, the current drought and statewide water supply emergency has highlighted the importance of working together to develop innovative programs like the CBP. The

Interested Parties also see incredible potential for future partnerships and cost-sharing opportunities that could make the CBP even more cost effective for the local participants.

An important aspect of the evolution of the CBP has been IEUA's commitment to an equitable and voluntary approach to allocating costs and benefits of the program. IEUA has worked with its member agencies and regional partners to identify participants that are willing to invest in the elements of the CBP that will provide future water supply reliability while limiting required costs to all member agencies for only the elements of the project necessary to maintain regulatory compliance for salinity levels in the Chino Basin. In recognition of this opportunity, to-date the following agencies have signed letters of interest in the CBP:

- Cucamonga Valley Water District (CVWD)
- Fontana Water Company
- Jurupa Community Services District (JCSD)
- City of Pomona
- Three Valleys Municipal Water District
- Western Municipal Water District
- Metropolitan Water District of Southern California (MWD)

In addition, while others (Cities of Fontana and Upland) have not provided formal correspondence, they continue to listen and evaluate if participation in the voluntary elements of the program is viable for their respective agencies. While we recognize that comments and concerns raised by all parties have resulted in a more viable program, we are concerned that the letter sent by Monte Vista Water District, the City of Montclair and City of Ontario does not accurately characterize the current program and positions of our agencies.

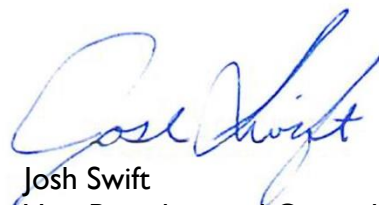
We acknowledge that work remains ahead of us to finalize the variety of agreements necessary to administer operations and funding for the CBP, including more detailed performance requirements that will provide the foundation for those agreements. Nonetheless, the Interested Parties support IEUA's efforts, including their approach to limiting costs to any member agencies that do not wish to invest in the broader water supply reliability benefits to only those costs necessary for regulatory compliance.

Notwithstanding the perspectives and positions expressed by the Concerned Parties, the Interested Parties believe the CBP could be implemented with limited impact on those agencies who do not elect to participate while producing important regional benefits and promoting future opportunities for regional cooperation. Thank you for your attention to this letter and the important work conducted by the CWC on behalf of the State of California.

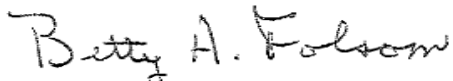
Sincerely,



Randall James Reed
Board President
Cucamonga Valley Water District



Josh Swift
Vice President and General Manager
Fontana Water Company



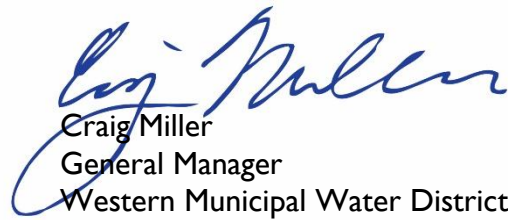
Betty A. Folsom
Board President
Jurupa Community Services District



Brian Johsz
Mayor
City of Chino Hills



Matthew H. Litchfield, P.E.
General Manager/Chief Engineer
Three Valleys Municipal Water District



Craig Miller
General Manager
Western Municipal Water District



Chris Diggs
Water Resources Director
City of Pomona

cc: Inland Empire Utility Agency Board of Directors
Chino Basin Watermaster Board of Directors
Adel Hagekhalil, Metropolitan Water District General Manager